

CEO Talking Points

- I would like to thank all of you for coming down to Washington on such short notice.
- Ben, Sheila, John, Tim and I have asked you here this afternoon because we are of the view that the United States needs to take strong and decisive action to arrest the stress in our financial system.
- Taken together, your nine firms represent a significant part of our financial system – therefore – in our view you must be central to any solution.
- Over the recent days we have worked hard to come up with a three-part plan to address the turmoil.
- First, the Fed has taken a number of actions to improve liquidity and market conditions generally. Tomorrow they will be announcing the specific terms for the new commercial paper facility. I will ask Ben and Tim to elaborate on its details.
- Second, the FDIC, the Fed, and Treasury [have triggered/will trigger] the Systemic Risk Exception to guarantee new issues of senior liabilities of banks and bank holding companies for a period up to three years. I will ask Sheila to describe this program.
- Third, through our new TARP authority, Treasury will purchase up to \$250 billion of preferred stock of banks and thrifts prior to year-end.
 - To encourage wide participation, the program is designed to provide an attractive source of capital, on identical terms, to all qualifying financial institutions. We plan to announce the program tomorrow – and – that your nine firms will be the initial participants. We will state clearly that you are healthy institutions, participating in order to support the US economy.
 - This is a combined program (bank liability guarantee and capital purchase). Your firms need to agree to both.
 - We don't believe it is tenable to opt out because doing so would leave you vulnerable and exposed.
 - If a capital infusion is not appealing, you should be aware that your regulator will require it in any circumstance.
 - We will be available to meet with you individually in breakout sessions before we reconvene here at [6:30 pm].. And, we want each of you to contact your Boards of Directors and confirm your participation this evening. But first, I would like [Nason] to give an overview of the capital purchase plan and for [Hoyt] to describe the executive compensation measures prescribed by the TARP legislation.